

EXHIBIT 3

REX vs. Traditional Real Estate Agents | REX Blog

by Katy Byrom

Like all licensed real estate agents, REX agents can list and advertise homes for sale, negotiate on behalf of buyers and sellers, and facilitate offers and contracts. They are fully licensed to do business within the states they operate and adhere to the same laws, regulations, and ethical standards set by governing bodies. However, as part of an independent brokerage pushing the boundaries on outmoded real estate practices, REX agents have the flexibility to offer savings and services not matched by traditional brokerages.

Key Takeaways

- While traditional real estate agents write a 5-6% commission into each home listing, REX sells homes for a flat 2.5% listing fee by working with buyers and sellers directly.
- However, unlike discount brokerages, REX offers a tailored experience providing top local agents and a range of services – like in-house lending options, and up to \$5,000 to cover the upfront costs of home prep – that traditional agents don’t.
- By eliminating up to 60% in agent fees and allowing sellers to keep more of the equity from their homes, buyers who work directly with REX are generally able to underbid competitors who come with an outside agent.
- Home buyers get free, full-service agent representation on REX listings and receive an additional 1% of the purchase price back on homes not listed with REX. They also have in-house options for mortgage, insurance, title and escrow, and home services.

How is REX different from a traditional real estate agent?

As a company founded on a [mission](#) of lessening the costs of real estate for home buyers and sellers, REX combines consumer-focused services and technologies with a cost-saving model to help customers keep more of the equity from their home.

To date, REX has saved homeowners more than \$38,000,000 in agent fees alone.

Let’s take a closer look at what sets REX apart.

	REX	Traditional Real Estate Agent
Agent Commissions	2-2.5% flat listing fee; no additional buyer’s agent	5-6% commission, split between listing

	REX	Traditional Real Estate Agent
	commission required	agent and buyer's agent
Buyer Savings	Free, full-service agent representation on homes listed with REX; additional 1% commission refund on homes not listed with REX	N/A
Service Model	Full-service agent and brokerage team; in-house financing, title & escrow, insurance, and home services (staging, inspections, moving, and more)	Full-service agent; seller is typically responsible for finding other service providers
Payment Structure	Agents work on salary	Agents work on commission
Contract Length	4 months	3-6+ months
Marketing	Home listed on professional real estate sites; yard sign and flyers; digital ads targeted to buyers	Home listed on MLS; yard sign and flyers
Technology	Online dashboard to manage listings, tours, offers, tasks, and paperwork	Varies

With REX's lower fees, more equity stays with the owner

For both buyers and sellers, REX's services cost significantly less when compared with those of traditional real estate agents. One reason is that most working real estate agents are members of the [National Association of Realtors](#) (NAR), one of the United States' most powerful trade organizations, whose "[core purpose is to help its members become more profitable](#)."

As controllers of the Multiple Listing Service (MLS) that most agents use to list and source properties for their clients, NAR requires that agents advertise a set buyer's agent commission when posting a new home listing. Rather than "protecting the rights of property buyers" as NAR claims to do, this practice guarantees real estate agents a certain commission on each transaction while inflating consumer home prices by as much as [\\$50 billion per year](#).

REX poses a direct challenge to the dual commission structure set by NAR, charging sellers a flat 2-2.5% listing fee without sacrificing any of the services offered to the buyer or seller. That way, the home's equity stays with the owner and isn't lost to a 6% commission fee. REX offers this savings by advertising its listings directly to buyers and assigning each party a dedicated agent to protect their interests through the entire sales process.

Traditional real estate transactions: An inherent conflict of interest?

In a typical real estate setup, sellers pay a 5-6% commission on their home's final sale price, which their own agent then splits with the buyer's agent. Yet, since it's the buyer who brings the money on closing day, they're the ones who are actually left on the hook for the commission. This brings us to a common myth in real estate: That [real estate agent services are free to the buyer](#).

While a buying agent claims to represent their client's best interests, the fact that their commission is dependent on a home's final sale price leaves little incentive to get their buyer a better deal. In fact, for a buyer's agent to cash a paycheck at all depends on their client's willingness to make the seller happy with their offer. Because it's the buying and selling agents who take care of the negotiations, while also splitting the commission, it pays for them to play nice with each other. After all, agents may work together on several transactions throughout their careers, representing either the buyer or the seller.

To put this arrangement into perspective, imagine if a lawyer you chose to represent you in a lawsuit was actually paid by the opposing attorney in accordance with how much of a settlement you paid to their client. It would certainly raise a few red flags! Yet, that's exactly how it works in traditional real estate. The more money you shell out to the opposing party, the more your own agent gets paid. Given this odd arrangement, it's hard to argue that the traditional way of doing things is tailored to the interests of home buyers.

REX's no commission model shifts power back to consumers

REX's business model was intentionally designed to shift profits away from agents and back to buyers and sellers.

Unlike traditional agents, REX agents don't rely on commission. Rather, REX agents earn a salary by doing what's right for their clients. Their performance is measured by the level of service they provide, not the commission they bring in.

With less of the home's asking price going towards agent fees, buyers and sellers can come to a pricing agreement based on what a property is actually worth to them, rather than what the seller needs to get in order to walk away with a profit.

Under REX's model, buyers can actually offer less on a property than a competing bidder, while still allowing the seller to keep more of the profit. Buyers get a better home price, while sellers save an average of \$10,000+ in buyer's agent fees.

	Buyer Uses REX Agent	Buyer Uses Traditional Agent
Buyer's Offer Price	\$500,000 (-\$15,000)	\$515,000
Amount Paid to Agents by Seller	2.5% / \$12,500 (-\$15,825)	5.5% / \$28,325
Seller Earnings	\$487,500 (+\$825)	\$486,675

REX incorporates more customer-centered services and technology into its process

While there is a baseline level of service that you can expect from most any agent, REX offers more services in house to make a complicated real estate transaction easier on both the buyer and seller.

Services

In a traditional real estate transaction, once an offer is accepted and a home gets into escrow, an agent stays fairly handsoff. They may offer a list of recommended lenders and other service providers but will ultimately leave it to the buyer to source their own mortgage broker, home inspector, etc.

With REX, clients get a full-service agent to guide them through the buying or selling process and a dedicated team to help them secure their best options for:

- [Financing](#)
- [Title & escrow](#)
- [Insurance](#)
- [Home services](#) (moving, storage, inspections, repairs, and more)

By housing more services under one roof, and backing each agent with a robust support team, REX offers clients a less complicated process and additional savings through service bundling. But what if you prefer to work with your own lender or insurance provider? REX is completely on board to do whatever's best for you. You have the flexibility to choose your own team, coupled with the ease of having more options in one place.

Technology

The technology REX uses to market and sell homes is different as well. In addition to listing on sites like Zillow, Trulia, and Homes.com, REX uses targeted digital ad space to catch the eyes of buyers all across the internet. Rather than waiting for someone to stumble on your listing, REX proactively markets your home directly to motivated buyers, identified based on their internet behavior. This way, when a buyer searches for homes in your area, your listing gets featured at just the right moment — like when they visit a website to learn more about the home buying process or fill out a [pre-approval](#) form for a mortgage loan.

The use of technology to streamline processes extends to customers through each stage of buying and selling. When a buyer sees a home they like, they can click through to see it, instantly book a tour, pose questions to the seller, and submit an online offer — all without waiting on an outside agent. As a seller, you get a personalized online dashboard to track your listing activity, offers, paperwork, and tasks.

Selling with REX vs. a Traditional Agent

Now that we've covered the overall similarities and differences between REX and traditional agents, let's dive into [selling with REX](#) specifically, and how that stacks

up compared to other brokerages.

	REX	Traditional Real Estate Agent
Dedicated listing agent	✓	✓
Professional photoshoot	✓	Sometimes
Hosted showings & open houses	✓	✓
Home listed on real estate sites	✓	✓
Targeted digital advertising	✓	
Up to \$5,000 for pre-listing home prep	✓	
Personalized seller's dashboard	✓	
Listing fee	2-2.5%	2.5-3%
Additional buyer's agent commission	0% / negotiable	2.5-3%
Contract length	4 mo	3-6+ mo

Lower Fees

As mentioned above, REX charges sellers an average 2-2.5% listing fee versus the 5-6% charged by traditional agents. The difference in fee structure comes from traditional agents' reliance on the "middle-man," or buyer's agent. Traditional agents do not have the technology or time to find buyers directly, so they are willing to charge their sellers more of a fee to compensate whichever agent brings the buyer. This process is both outdated and unnecessary – especially given that 97% of buyers look for homes online. REX eliminates the need to compensate a middleman and instead allows sellers to keep a higher percentage of the equity they have built up in their home.

Direct-to-Buyer Marketing

Traditional agents use the MLS as their primary method marketing tool – which is great for agents, but not necessarily for homeowners, who get locked in to paying a set buyer's agent commission. REX takes a different approach. Instead of asking our sellers to invest in paying outside agents to bring a buyer, we invest our own money into marketing to buyers directly. Finding buyers directly, and providing them with a dedicated REX agent to guide them through the process, eliminates the dual commission paid by sellers — allowing them to keep more money in their pockets.

Full-Service Agent and Support Team

Think of a traditional agent as an independent contractor. They work under the umbrella of a brokerage, but ultimately rely on commissions from their own transactions to keep them afloat.

Since REX agents spend less time having to market themselves to new clients, and more time actually helping their clients close transactions, they typically have more recent home sales under their belt than the average agent who only closes about [one transaction per month](#). REX agents are also backed by a team of transaction coordinators and home services experts who assist in getting your home ready to list and ensuring a smooth sale. From a seller's point of view, this means more personalized attention and a lot less pressure.

Streamlined Process

When working with a real estate agent to sell your home, the steps generally go something like this:

1. Meet in person to talk about your goals and timeline
2. Determine a list price based on your home valuation and comparative market analysis
3. Sign your listing agreement and put your home on the market
4. Review offers and negotiate a final contract
5. Complete home inspections and title work
6. Sign closing paperwork

With REX, however, you get more – including professional photos and videography, and up to [\\$5,000 worth of staging and home improvements](#) to get your home show-ready. Once on the market, your REX team will be at every showing and open house to assist buyers and assign them a dedicated agent when they are ready to submit an offer.

REX also provides a more seamless experience when it comes to handling title, escrow and closing. Because REX keeps everything in house, the people and processes are familiar and agents have a direct line of communication when problems arise. With the entire team aligned around getting both the buyer and seller to close, there is usually a higher commitment to resolving an issue than when each vendor – the mortgage broker, escrow officer, etc. – is operating as a separate entity.

Buying with REX vs. a Traditional Agent

REX also differs from traditional agents with the services offered to [buyers](#). While the main concern of buyers isn't typically commission, there are plenty of other ways that REX saves buyers money and time during the home-buying process. Here's a comparison of services offered to buyers.

	REX	Traditional Real Estate Agent
Dedicated Buyer's Agent	✓	✓

	REX	Traditional Real Estate Agent
Loan Advising & Financing	✓	
Title & Escrow	✓	
Insurance	✓	
Home Services	✓	
Buyer Savings & Rebates	✓	

Dedicated Buyer's Agent

One of the biggest misconceptions people have about REX is that buyers do not have dedicated agent representation when working with us. That couldn't be further from the truth. Like traditional buyers' agents, REX agents have a fiduciary duty and responsibility to ensure you are protected and advised as much as possible when purchasing a home. REX even goes above and beyond that by providing you with not only a dedicated local agent, but also a team of customer support staff who are here to help around the clock. That means getting tours scheduled faster, getting offers submitted faster, and getting you into your next home faster.

Loan Advising & Financing

One of the biggest headaches of buying a home can be finding the right lender to work with. As part of our one-stop-shop approach, REX provides our buyers the opportunity to work with our in-house lending team at [REX Home Loans](#). Like REX agents, REX Home Loan advisors do not work on commission and provide you with personalized and unbiased lending options. As part of this approach, REX Home Loans will be open if they feel they can't provide you with the best possible option. If that's the case, your REX agent can turn to our national partners to find you lending alternatives. No matter what your financial or credit situation is, REX is able to find the best possible solution for you. Plus, because our loan advisors work in-house, they will be in constant communication with your REX buyer's agent to ensure no stone is left unturned. There is no traditional agency out there that can say the same.

Title & Escrow

Another service under the REX umbrella is our in-house [title and escrow service](#). This is a big differentiator between REX and traditional agents. Time and time again we hear about buyers that are working with traditional agents having deals fall through or get delayed because of issues with their escrow company. In these cases, there tends to be a lack of communication between the escrow officer, lender, buyer's agent, and buyer. Having a title and escrow team in house eliminates the potential of miscommunication or no communication at all. Keeping you abreast of all the moving parts during escrow is important. There's no reason to be kept in the dark wondering what is going on behind the scenes. REX buyers have an online escrow dashboard where they can track progress in real time and see if there are

any outstanding items that need to be taken care of.

Insurance

Ever shopped for insurance online? The experience can be a little...annoying. The minute you plug in your phone number and information, you get bombarded by calls from multiple insurance agents trying to solicit your business. Probably not the outcome you were hoping for. [REX Insurance](#) is another in-house service that provides hassle-free home insurance options. We work with every big-name insurance company to find you the best coverage. Plus, instead of giving out your information to all those companies just to get a quote, you have a REX Insurance agent who handles everything. No more spam calls!

Home Services

It's easy to get fixated on buying a new home and forget all the little things that go along with your move. How will you get all your stuff from your old house to your new one? What about all those minor repairs you noticed during the inspection? Where's all the junk from your garage going to go? Needless to say, it can be a hassle trying to find solutions to all these questions. Unlike traditional agents whose sole focus is on the buying or selling of your home, REX agents take a more holistic approach. We have an entire division of REX dedicated to helping you find the best prices on home services. Everything from [moving](#) and [storage](#), [handymen](#), [solar systems](#), [junk removal](#), [window coverings](#), and more! Our concierge team will price out options and provide a timeline of when the services will be completed. There's never any fee or obligation to work with REX partners, we just want to make sure you have as many options as possible to make the best decision possible.

Savings When Buying a Home Listed with REX

Let's say you find a home you love that's listed with REX. When it comes to submitting an offer and entering negotiations, you can choose to work with a REX agent or you can bring one of your own. It's worth noting that your REX agent would be completely independent from the REX agent who is selling the home. While you are welcome to work with any agent you choose, there are definite advantages to working directly with REX.

When purchasing a REX-listed home, working with a REX agent gives your offer a better chance to stand out. Here's why. Let's say you are buying a REX home that is listed for \$500,000. You and your REX agent decide to submit an offer for the full asking price. Then, another offer from an outside agent and their client comes in at \$515,000. Looks like your offer has been beat, right? Maybe not.

When an offer is submitted from an outside agent, it typically comes with a buy-side commission typically totalling 3% of the final purchase price. So, while the offer for \$515,000 looks higher than your offer, in reality, 3% of that is coming out of the seller's pocket to pay the buyer's agent. On an offer \$15,000 higher than your own, the seller nets \$825 less. Your offer is stronger because you chose to work with a REX buyer's agent who doesn't take a commission.

Which offer would you choose?

	Buyer Uses REX Agent	Buyer Uses Traditional Agent
Offer Price	\$500,000	\$515,000
Buyer's Agent Commission	—	3% / \$15,450
Listing Fee	2.5% / \$12,500	2.5% / \$12,875
Seller Earnings	\$487,500	\$486,675
Difference in Profit	+\$825.00	—

How You Benefit from Saving the Seller Money

When you work with a REX agent to buy a REX home, you can actually offer less on a property while still helping the seller make more on the transaction. Because the seller gets to keep a larger share of the profit, there is far more room to negotiate on the sale price, allowing both parties to walk away happy.

Remember, the offer price you make on a home also impacts the amount you need to borrow from a mortgage lender. Even a modest savings off the final purchase price could potentially save you tens of thousands in interest, fees, and taxes over the life of your home loan.

Returning to our previous example, let's examine how a \$15,000 difference in the offer price might play out across a typical 30-year mortgage with an estimated interest rate of 3.5%.

	REX: Sale price reflects 0% buyer's agent commission paid by seller	Traditional: Sale price offsets 3% buyer's agent commission paid by seller
Sale Price	\$500,000	\$515,000
20% Down Payment	\$100,000	\$103,000
Remaining Loan Amount	\$400,000	\$412,000
Monthly Payment	\$1,796	\$1,850
Total Interest	\$246,624	\$254,023
Total of 360 Payments	\$646,624	\$666,023
Buyer Savings	\$22,399	—

Data Source: Calculator.net

Using a REX agent in this scenario saved you \$22,399 over the life of your mortgage. On the flip side, having to offset the agent fees baked into a home's sale price can cost buyers thousands in additional interest down the road. So, think twice before believing an agent who tells you that buyers don't pay real estate commissions.

Savings When Buying a Home Not Listed with REX

What happens when the home you love isn't listed with REX? Turns out, REX can still save you money.

Homes that are listed by outside agents typically come with a buyer's agent commission baked into the asking. But, as you know well by now, REX buyers' agents don't work for commission. So, what REX does is [give 1% of that commission back](#) to you. For example, if an outside seller's agent is listing a home for \$500,000 and offering a buyer's agent commission payment of 3%, that's a total fee of \$15,000. With REX's [AllHomes Cash Back](#), you would get \$5,000 back to put into closing costs or start paying down your mortgage.

How Do You Decide Whether to Work with REX or a Traditional Real Estate Agent?

Buying or selling a home is one of the most significant financial transactions you will make, and who you work with through that process is ultimately up to you. While REX offers more services and savings over a traditional agent, it may not be a fit for everyone.

When it might be right to work with REX

If you are looking for a more cost-effective, full-service approach to buying and selling a home, REX is probably for you.

We often find that customers who have been through the buying and selling process in the past with a traditional agent choose REX because they feel they overpaid the last time for services that didn't live up to the traditional agent price tag.

REX's consumer-first model offers an attractive alternative that pairs top local agents with more services for current and future homeowners, smarter processes, and time-saving technologies. Rather than a one-time transaction, working with REX provides consumers with a one-stop solution for all things associated with buying, selling, and owning a home.

When it might be right to work with a traditional agent

The old way of buying and selling homes with traditional real estate agents has been around for a long time. Understandably, some people just feel more comfortable working within the confines of the traditional system, even if it means shopping around for lenders and other professionals involved in the escrow process, and paying more to their agent. Others may have friends or family members who are Realtors and prefer to work with someone they know.

Even if you do lean more towards using a traditional agent, you can still meet with a REX agent for a no-obligation [consultation](#). At the very least, it will provide you with an alternative if you change your mind.

When You're Ready to Buy or Sell Your Next Home

REX is here for you. Our customer support professionals are ready to answer your questions and connect you with a team of local, [highly-rated agents](#) who can assist with any aspect of home [buying](#) or [selling](#).

Give us a call at [855-205-0599](tel:855-205-0599).

Here are some other articles you may enjoy:

- [Do Buyers Pay Real Estate Agent Commissions?](#)
- [How to Choose a Real Estate Agent: Here's What to Ask](#)
- [Can You Win A Bidding War Without The Highest Offer?](#)
- [Getting Your Home Ready to Sell: 5 Mistakes to Avoid](#)